



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



APR 14 2015

Ms. Melinda Hicks
Kern Oil and Refining Company
7724 E. Panama Lane
Bakersfield, CA 93307

**Re: Notice of Minor Title V Permit Modification
District Facility # S-37
Project # S-1151612**

Dear Ms. Hicks:

Enclosed is the District's analysis of your application for minor Title V permit modification for the facility identified above. You proposed a Title V minor permit modification to incorporate recently issued S-37-46-4 (under project S-1143828) into the Title V operating permit. Modifications include revising the equipment description to include unloading, increasing the throughput of liquids with a TVP greater than 1.5 psia from 22,680 gallons per day to 28,000 gallons per day, and replacing the word "loadout" with "transfer" in the permit conditions.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued S-37-46-4, emission increases, application, and previous Title V permit. This project will be subject to a 45-day EPA commenting period prior to the District taking final action.

If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

Arnaud Marjollet
Director of Permit Services

Enclosures

cc: Gerardo C. Rios, EPA (w/enclosure) via email

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

TITLE V APPLICATION REVIEW

Minor Modification
Project #: S-1151612

Engineer: Steve Roeder
Date: 4/9/15

Facility Number: S-37
Facility Name: Kern Oil and Refining Company
Mailing Address: 7724 E. Panama Lane
Bakersfield, CA 93307

Reviewed by AP SWR AGE

APR 09 2015

Contact Name: Melinda Hicks
Phone: (661) 845-0761

Responsible Official: Bruce Cogswell
Title: Vice President of Manufacturing

I. PROPOSAL

Kern Oil and Refining Company is proposing a Title V minor permit modification to incorporate recently issued S-37-46-4 (under project S-1143828) into the Title V operating permit. Modifications include revising the equipment description to include unloading, increasing the throughput of liquids with a TVP greater than 1.5 psia from 22,680 gallons per day to 28,000 gallons per day, and replacing the word "loadout" with "transfer" in the permit conditions.

The purpose of this evaluation is to identify all applicable requirements, determine if the facility will comply with the applicable requirements and to provide the legal and factual basis for the proposed revisions.

II. FACILITY LOCATION

The equipment is located at 7724 E. Panama Lane in Bakersfield.

III. EQUIPMENT DESCRIPTION

ATC S-37-46-4

MODIFICATION OF 30 HP LIQUID LOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES: REVISE EQUIPMENT DESCRIPTION TO INCLUDE UNLOADING AND INCREASE THROUGHPUT OF LIQUIDS WITH A TVP GREATER THAN 1.5 PSIA FROM 22,680 GALLONS PER DAY TO 28,000 GALLONS PER DAY ON AN ANNUAL AVERAGE DAILY BASIS, AND REPLACE THE WORD "LOADOUT" WITH TRANSFER IN THE PERMIT CONDITIONS

Permit S-37-46-5

30 HP LIQUID LOADING/UNLOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT/UNLOAD (TRANSFER) LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES

IV. SCOPE OF EPA AND PUBLIC REVIEW

This change to a Title V permit is considered to be a minor modification and, as such, requires no public review.

V. APPLICABLE REQUIREMENTS

District Rule 2520, Federally Mandated Operating Permits (Adopted June 21, 2001)

VI. DESCRIPTION OF PROPOSED MODIFICATIONS

Discussion of Proposed Items

- a) Increase the permitted volume of organic liquids loaded/unloaded (with a TVP greater than 1.5 psia) from 22,680 gallons per day to 28,000 gallons per day.

This item is approved under the discussion of Rule 2201 in Project S-1143828.

- b) Revise the equipment description to specifically include “unloading”.

Since the equipment was originally designed to both deliver and receive organic liquid, the word “loading” may be added to clarify the equipment description. The revised equipment description is presented below.

30 HP LIQUID LOADING/UNLOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT/UNLOAD (TRANSFER) LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES

- c) Replace the word “loading” with “transfer” in permit conditions 1, 17 and 24.

Conditions 1, 17 and 24 (Appendix B) reference the loading rack. Since the loading rack also has the capacity to unload, rather than refer to the line that both loads and unloads the organic liquid as a *liquid loading/unloading line*, the applicant proposes to refer to the line as a *liquid transfer line*. The proposed wording streamlines the permit, and the relevant conditions have been revised as follows:

1. For the transfer of liquids with a true vapor pressure (TVP) of 1.5 psia or more, the *loading rack* shall be equipped with bottom loading or a vapor collection and control system such that VOC emissions do not exceed 0.08 pounds per 1000 gallons of organic liquid with greatest vapor pressure loaded. [District Rule 4624 and NSR Rule, and County Rule 413 (Kern)]

Has been revised to state:

For the transfer of liquids with a true vapor pressure (TVP) of 1.5 psia or more, the *transfer rack* shall be equipped with bottom loading or a vapor collection and control system such that VOC emissions do not exceed 0.08 pounds per 1,000 gallons of organic liquid with greatest vapor pressure loaded. [District Rules 4624 and 2201, and County Rule 413 (Kern)]

17. Operation shall include one uncontrolled loadout line for the handling of naphtha and mineral spirits with true vapor pressure's (TVP's) less than 1.5 psia, and one *loadout line* equipped with vapor recovery for the handling of light reformate and other organic liquids with TVP's greater than 1.5 psia. [District NSR Rule]

Has been revised to state:

Operation shall include one uncontrolled loadout line for the handling of naphtha and mineral spirits with true vapor pressure's (TVP's) less than 1.5 psia, and one *transfer line* equipped with vapor recovery for the handling of light reformate and other organic liquids with TVP's greater than 1.5 psia. [District NSR Rule]

24. *Light reformate and other organic liquids* with true vapor pressures (TVP) greater than 1.5 psi shall be loaded exclusively through *loadout line* equipped with vapor recovery. [District NSR Rule and Rule 4624]

Has been revised to state:

Organic liquids with true vapor pressures (TVP) greater than 1.5 psi shall be transferred exclusively through *the transfer line* equipped with vapor recovery. [District NSR Rule and Rule 4624]

- d) Remove condition 23 as it is redundant and less detailed than condition 9.

Condition 9 states:

Loading and vapor collection and control equipment shall be designed, installed, maintained and operated such that there are no leaks or excess organic liquid drainage at disconnections. A leak from a VOC containing liquid other than gasoline shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 1,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. [District Rule 4624 and Kern County Rule 413]

Condition 23 states:

The loading and vapor collection equipment serving light reformate loading line shall be designed, installed, maintained, and operated such that there are no leaks and no excess organic liquid drainage at disconnections as defined by Rule 4624. [District NSR Rule and Rule 4624]

Since Condition 23 duplicates only part of condition 9, and does not add anything extra, condition 23 has been removed.

VII. COMPLIANCE

In accordance with Rule 2520, 3.20, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
 - a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
 - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including;

1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. The source's suggested draft permit; and
3. Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used.

VIII. ATTACHMENTS

- A. Proposed Modified Title V Operating Permit
- B. Authorities to Construct
- C. Emissions Increases
- D. Application
- E. Previous Title V Operating Permit

ATTACHMENT A

Proposed Modified Title V Operating Permit

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-37-46-5

EXPIRATION DATE: 08/31/2016

SECTION: 25 **TOWNSHIP:** 30S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

30 HP LIQUID LOADING/UNLOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT/UNLOAD (TRANSFER) LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES

PERMIT UNIT REQUIREMENTS

1. For the transfer of liquids with a true vapor pressure (TVP) of 1.5 psia or more, the transfer rack shall be equipped with bottom loading or a vapor collection and control system such that VOC emissions do not exceed 0.08 pounds per 1,000 gallons of organic liquid with greatest vapor pressure loaded. [District Rules 4624 and 2201, and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
2. Vapor collection and control system shall operate such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure and 6 inches water column vacuum. [District Rule 4624 and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
3. The transfer of gasoline from any delivery vessel to any stationary storage container with 250 gallon capacity or more shall not be allowed unless the container is equipped with a permanent submerged fill pipe and an ARB certified Phase I vapor recovery system, which is maintained and operated according to the manufacturers specifications. [District Rule 4621] Federally Enforceable Through Title V Permit
4. No gasoline shall be placed, stored, or held in any above-ground tank of 250 gallon capacity or more unless it is equipped with a pressure-vacuum valve set to within 10% of the maximum allowable working pressure of the tank. [District Rule 4621] Federally Enforceable Through Title V Permit
5. All delivery tanks which previously contained organic liquids, including gasoline, with a TVP 1.5 psia or greater at the storage container's maximum organic liquid storage temperature shall be filled only at Class 1 loading facilities using bottom loading equipment with a vapor collection and control system operating such that VOC emissions do not exceed 0.08 lb/1000 gallons loaded; or Class 2 loading facilities equipped with a system to control at least 95% of VOC displaced; or the transfer facility has a vapor collection and control system such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure nor 6 inches water column vacuum. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
6. No gasoline delivery vessel shall be used or operated unless it is leak-free. A leak shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 10,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. No gasoline delivery vessel shall be operated or loaded unless valid State of California decals are displayed on the cargo tank, attesting to the vapor integrity of the tank as verified by annual performance of CARB required Certification and Test Procedures for Vapor Recovery Systems for Cargo Tanks. [District Rule 4621, Health & Safety Code, section 41962, and CCR, Title 17 section 94004] Federally Enforceable Through Title V Permit
7. The test method to determine vapor tightness of delivery vessels owned or operated by this facility shall be ARB Test Procedure TP-204.3. [District Rule 4621] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: KERN OIL & REFINING CO.

Location: PANAMA LN & WEEDPATCH HWY, BAKERSFIELD, CA 93307-9210

S-37-46-5 : Apr 9 2015 8:58AM - ROEDERS

8. Construction, reconstruction (as defined in District Rule 4001), or expansion of any top loading facility shall not be allowed. [District Rule 4624] Federally Enforceable Through Title V Permit
9. Loading and vapor collection and control equipment shall be designed, installed, maintained and operated such that there are no leaks or excess organic liquid drainage at disconnections. A leak from a VOC containing liquid other than gasoline shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 1,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. [District Rule 4624 and Kern County Rule 413] Federally Enforceable Through Title V Permit
10. During the loading of organic liquids, the operator shall perform and record the results of monthly leak inspections of the loading and vapor collection equipment at each loading arm. Leak inspections shall be conducted using sight, sound, smell and instrument methods to detect leaks. Instrument detection shall be conducted using EPA Method 21 and shall be measured at a distance of one centimeter from the potential source. The instrument shall be calibrated before use each day of its use by the procedures specified in Method 21 using the following calibration gases: A) Zero air (less than 10 ppm of hydrocarbon in air); and B) Mixture of methane or n-hexane and air at a concentration of about, but less than, 1,000 ppm methane or n-hexane. [District Rules 2520 and 4624] Federally Enforceable Through Title V Permit
11. Corrective steps shall be taken at any time the operator observes a leak or excess drainage at disconnect. In addition, the operator shall perform and record the results of monthly drainage inspections at disconnect for each loading arm during any month that the loading arm(s) are in operation. If no excess drainage conditions are found during five consecutive monthly inspections, the drainage inspection frequency may be changed from monthly to quarterly. However, if one or more excess drainage condition is found during a quarterly inspection, the inspection frequency shall return to monthly. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
12. All equipment that are found leaking shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement equipment shall be reinspected the first time the equipment is in operation after the repair or replacement. [District Rule 4624] Federally Enforceable Through Title V Permit
13. Drainage inspections shall be completed before 10:00 AM the day of inspection. Compliance shall be demonstrated by collecting all drainage at disconnect in a spouted container. The drainage shall be transferred to a graduated cylinder and the volume determined within one (1) minute of collection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
14. All inspections shall be documented with an inspection log. Inspection records shall include, at a minimum, 1) date of inspection, 2) location and description of any missing, loose, leaking, or damaged equipment and any malfunction requiring repair, 3) corrective steps taken to repair or replace the equipment, 4) test method and results for leak and drainage inspections, 5) location and description of any equipment to be inspected upon commencing operation after repair or replacement and 6) inspector name and signature. [District Rule 4624, 6.1.3] Federally Enforceable Through Title V Permit
15. VOC emissions from the vapor collection and control system shall be determined using 40CFR¹ 60.503. "Test Methods and Procedures" and EPA Reference Methods 2A, 2B, 25A and 25B and ARB Method 432, or ARB Method 2-4. [District Rule 4624, 6.2.2, and Kern County Rule 413] Federally Enforceable Through Title V Permit
16. Loading of a delivery vessel shall discontinue if its pressure relief valve opens. Corrective action shall be taken should this condition occur. [District Rule 2520, 9.1] Federally Enforceable Through Title V Permit
17. Operation shall include one uncontrolled loadout line for the handling of naphtha and mineral spirits with true vapor pressure's (TVP's) less than 1.5 psia, and one transfer line equipped with vapor recovery for the handling of light reformate and other organic liquids with TVP's greater than 1.5 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
18. No trucks with a preceding load of petroleum liquid with a greater true vapor pressure than 0.86 psia at 90 deg. F. shall be loaded from loadout line not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

19. Only petroleum liquid with a true vapor pressure less than 0.86 psia at 90 deg. F, shall be loaded from loadout hose not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit
20. All liquid handling equipment and components shall be maintained leak-free (as defined in Rule 4624). [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
21. Hose couplers shall be dry break type only. [District NSR Rule] Federally Enforceable Through Title V Permit
22. VOC emissions from uncontrolled naphtha/mineral spirits loadout line shall not exceed 29.28 lb per day. [District NSR Rule] Federally Enforceable Through Title V Permit
23. Organic liquids with true vapor pressures (TVP) greater than 1.5 psi shall be transferred exclusively through the transfer line equipped with vapor recovery. [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
24. The loadout of organic liquids with true vapor pressures (TVP) greater than 1.5 psi from rack shall not exceed 28,000 gallons per day. [District Rule 2201] Federally Enforceable Through Title V Permit
25. Permittee shall maintain accurate records of liquid type, throughput, temperature, and Reid Vapor Pressure (or TVP) on site for a period of at least five years and shall be made readily available for District inspection upon request. [District NSR Rule and Rule 1070] Federally Enforceable Through Title V Permit

DRAFT

ATTACHMENT B

Authority to Construct



AUTHORITY TO CONSTRUCT

PERMIT NO: S-37-46-4

ISSUANCE DATE: 03/18/2015

LEGAL OWNER OR OPERATOR: KERN OIL & REFINING CO.
MAILING ADDRESS: 7724 E PANAMA LANE
BAKERSFIELD, CA 93307-9210

LOCATION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

SECTION: 25 **TOWNSHIP:** 30S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 30 HP LIQUID LOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES: REVISE EQUIPMENT DESCRIPTION TO INCLUDE UNLOADING AND INCREASE THROUGHPUT OF LIQUIDS WITH A TVP GREATER THAN 1.5 PSIA FROM 22,680 GALLONS PER DAY TO 28,000 GALLONS PER DAY ON AN ANNUAL AVERAGE DAILY BASIS, AND REPLACE THE WORD "LOADOUT" WITH TRANSFER IN THE PERMIT CONDITIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. For the transfer of liquids with a true vapor pressure (TVP) of 1.5 psia or more, the transfer rack shall be equipped with bottom loading or a vapor collection and control system such that VOC emissions do not exceed 0.08 pounds per 1,000 gallons of organic liquid with greatest vapor pressure loaded. [District Rules 4624 and 2201, and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
3. Vapor collection and control system shall operate such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure and 6 inches water column vacuum. [District Rule 4624 and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
4. The transfer of gasoline from any delivery vessel to any stationary storage container with 250 gallon capacity or more shall not be allowed unless the container is equipped with a permanent submerged fill pipe and an ARB certified Phase I vapor recovery system, which is maintained and operated according to the manufacturers specifications. [District Rule 4621] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

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Arnaud Marjollet, Director of Permit Services

S-37-46-4 : Apr 9 2015 8:28AM - ROEDERS : Joint Inspection NOT Required

5. No gasoline shall be placed, stored, or held in any above-ground tank of 250 gallon capacity or more unless it is equipped with a pressure-vacuum valve set to within 10% of the maximum allowable working pressure of the tank. [District Rule 4621] Federally Enforceable Through Title V Permit
6. All delivery tanks which previously contained organic liquids, including gasoline, with a TVP 1.5 psia or greater at the storage container's maximum organic liquid storage temperature shall be filled only at Class 1 loading facilities using bottom loading equipment with a vapor collection and control system operating such that VOC emissions do not exceed 0.08 lb/1000 gallons loaded; or Class 2 loading facilities equipped with a system to control at least 95% of VOC displaced; or the transfer facility has a vapor collection and control system such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure nor 6 inches water column vacuum. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
7. No gasoline delivery vessel shall be used or operated unless it is leak-free. A leak shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 10,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. No gasoline delivery vessel shall be operated or loaded unless valid State of California decals are displayed on the cargo tank, attesting to the vapor integrity of the tank as verified by annual performance of CARB required Certification and Test Procedures for Vapor Recovery Systems for Cargo Tanks. [District Rule 4621, Health & Safety Code, section 41962, and CCR, Title 17 section 94004] Federally Enforceable Through Title V Permit
8. The test method to determine vapor tightness of delivery vessels owned or operated by this facility shall be ARB Test Procedure TP-204.3. [District Rule 4621] Federally Enforceable Through Title V Permit
9. Construction, reconstruction (as defined in District Rule 4001), or expansion of any top loading facility shall not be allowed. [District Rule 4624] Federally Enforceable Through Title V Permit
10. Loading and vapor collection and control equipment shall be designed, installed, maintained and operated such that there are no leaks or excess organic liquid drainage at disconnections. A leak from a VOC containing liquid other than gasoline shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 1,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. [District Rule 4624 and Kern County Rule 413] Federally Enforceable Through Title V Permit
11. During the loading of organic liquids, the operator shall perform and record the results of monthly leak inspections of the loading and vapor collection equipment at each loading arm. Leak inspections shall be conducted using sight, sound, smell and instrument methods to detect leaks. Instrument detection shall be conducted using EPA Method 21 and shall be measured at a distance of one centimeter from the potential source. The instrument shall be calibrated before use each day of its use by the procedures specified in Method 21 using the following calibration gases: A) Zero air (less than 10 ppm of hydrocarbon in air); and B) Mixture of methane or n-hexane and air at a concentration of about, but less than, 1,000 ppm methane or n-hexane. [District Rules 2520 and 4624] Federally Enforceable Through Title V Permit
12. Corrective steps shall be taken at any time the operator observes a leak or excess drainage at disconnect. In addition, the operator shall perform and record the results of monthly drainage inspections at disconnect for each loading arm during any month that the loading arm(s) are in operation. If no excess drainage conditions are found during five consecutive monthly inspections, the drainage inspection frequency may be changed from monthly to quarterly. However, if one or more excess drainage condition is found during a quarterly inspection, the inspection frequency shall return to monthly. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
13. All equipment that are found leaking shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement equipment shall be reinspected the first time the equipment is in operation after the repair or replacement. [District Rule 4624] Federally Enforceable Through Title V Permit
14. Drainage inspections shall be completed before 10:00 AM the day of inspection. Compliance shall be demonstrated by collecting all drainage at disconnect in a spouted container. The drainage shall be transferred to a graduated cylinder and the volume determined within one (1) minute of collection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

15. All inspections shall be documented with an inspection log. Inspection records shall include, at a minimum, 1) date of inspection, 2) location and description of any missing, loose, leaking, or damaged equipment and any malfunction requiring repair, 3) corrective steps taken to repair or replace the equipment, 4) test method and results for leak and drainage inspections, 5) location and description of any equipment to be inspected upon commencing operation after repair or replacement and 6) inspector name and signature. [District Rule 4624, 6.1.3] Federally Enforceable Through Title V Permit
16. VOC emissions from the vapor collection and control system shall be determined using 40CFR¹ 60.503. "Test Methods and Procedures" and EPA Reference Methods 2A, 2B, 25A and 25B and ARB Method 432, or ARB Method 2-4. [District Rule 4624, 6.2.2, and Kern County Rule 413] Federally Enforceable Through Title V Permit
17. Loading of a delivery vessel shall discontinue if its pressure relief valve opens. Corrective action shall be taken should this condition occur. [District Rule 2520, 9.1] Federally Enforceable Through Title V Permit
18. Operation shall include one uncontrolled loadout line for the handling of naphtha and mineral spirits with true vapor pressure's (TVP's) less than 1.5 psia, and one transfer line equipped with vapor recovery for the handling of light reformate and other organic liquids with TVP's greater than 1.5 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
19. No trucks with a preceding load of petroleum liquid with a greater true vapor pressure than 0.86 psia at 90 deg. F. shall be loaded from loadout line not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Only petroleum liquid with a true vapor pressure less than 0.86 psia at 90 deg. F. shall be loaded from loadout hose not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit
21. All liquid handling equipment and components shall be maintained leak-free (as defined in Rule 4624). [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
22. Hose couplers shall be dry break type only. [District NSR Rule] Federally Enforceable Through Title V Permit
23. VOC emissions from uncontrolled naphtha/mineral spirits loadout line shall not exceed 29.28 lb per day. [District NSR Rule] Federally Enforceable Through Title V Permit
24. Organic liquids with true vapor pressures (TVP) greater than 1.5 psi shall be transferred exclusively through the transfer line equipped with vapor recovery. [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
25. The loadout of organic liquids with true vapor pressures (TVP) greater than 1.5 psi from rack shall not exceed 28,000 gallons per day. [District Rule 2201] Federally Enforceable Through Title V Permit
26. Permittee shall maintain accurate records of liquid type, throughput, temperature, and Reid Vapor Pressure (or TVP) on site for a period of at least five years and shall be made readily available for District inspection upon request. [District NSR Rule and Rule 1070] Federally Enforceable Through Title V Permit

ATTACHMENT C

Emissions Increases

	SSIPE (lb/yr)				
	NO _x	SO _x	PM ₁₀	CO	VOC
S-37-46-5 (and MM -5)	0	0	0	0	156

ATTACHMENT D

Application



San Joaquin Valley Air Pollution Control District

www.valleyair.org

RECEIVED
MAR 26 2015



Permit Application For:

SJVAPCD
Southern Region

[] ADMINISTRATIVE AMENDMENT [X] MINOR MODIFICATION [] SIGNIFICANT MODIFICATION

1. PERMIT TO BE ISSUED TO: Kern Oil & Refining Co.	
2. MAILING ADDRESS: STREET/P.O. BOX: 7724 E. Panama Lane CITY: Bakersfield STATE: California 9-DIGIT ZIP CODE: 93307	
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED: STREET: 7724 E. Panama Lane CITY: Bakersfield 1/4 SECTION TOWNSHIP RANGE	INSTALLATION DATE: 3/24/2015
4. GENERAL NATURE OF BUSINESS: Petroleum Refining	
5. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary) ATC S-37-46-4: Intent to start up modifications authorized by ATC/ Request to implement ATC and commence with transfer operations as permitted.	
6. TYPE OR PRINT NAME OF APPLICANT: Melinda Hicks	TITLE OF APPLICANT: EHS Manager
7. SIGNATURE OF APPLICANT: 	DATE: 3/24/2015 PHONE: (661) 845-0761 FAX: (661) 845-3561 EMAIL: mhicks@kernoil.com

For APCD Use Only:

NO \$

DATE STAMP	FILING FEE RECEIVED: \$ CHECK#: DATE PAID: PROJECT NO: S-1151546 FACILITY ID: S-37
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**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

☐ SIGNIFICANT PERMIT MODIFICATION
☒ MINOR PERMIT MODIFICATION

☐ ADMINISTRATIVE
AMENDMENT

COMPANY NAME: Kern Oil and Refining Co.	FACILITY ID: S- 37
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Kern Oil & Refining Co.	
3. Agent to the Owner: n/a	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- BC* Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- BC* Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- BC* Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- BC* Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the foregoing is correct and true:

Bruce Cogswell
Signature of Responsible Official

3/24/15
Date

Bruce Cogswell

Name of Responsible Official (please print)

Vice President - Manufacturing

Title of Responsible Official (please print)

ATTACHMENT E

Previous Title V Operating Permit

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-37-46-3

EXPIRATION DATE: 08/31/2016

SECTION: 25 **TOWNSHIP:** 30S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

30 HP LIQUID LOADING OPERATION INCLUDING ONE UNCONTROLLED LIQUID LOADOUT LINE, ONE ORGANIC LIQUID LOADOUT LINE EQUIPPED WITH VAPOR RECOVERY, TWO 15 HP PUMPS, DRY-BREAK CONNECTORS, METER(S), AND CHECK VALVES

PERMIT UNIT REQUIREMENTS

1. For the transfer of liquids with a true vapor pressure (TVP) of 1.5 psia or more, the loading rack shall be equipped with bottom loading or a vapor collection and control system such that VOC emissions do not exceed 0.08 pounds per 1000 gallons of organic liquid with greatest vapor pressure loaded. [District Rule 4624 and NSR Rule, and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
2. Vapor collection and control system shall operate such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure and 6 inches water column vacuum. [District Rule 4624 and County Rule 413 (Kern)] Federally Enforceable Through Title V Permit
3. The transfer of gasoline from any delivery vessel to any stationary storage container with 250 gallon capacity or more shall not be allowed unless the container is equipped with a permanent submerged fill pipe and an ARB certified Phase I vapor recovery system, which is maintained and operated according to the manufacturers specifications. [District Rule 4621] Federally Enforceable Through Title V Permit
4. No gasoline shall be placed, stored, or held in any above-ground tank of 250 gallon capacity or more unless it is equipped with a pressure-vacuum valve set to within 10% of the maximum allowable working pressure of the tank. [District Rule 4621] Federally Enforceable Through Title V Permit
5. All delivery tanks which previously contained organic liquids, including gasoline, with a TVP 1.5 psia or greater at the storage container's maximum organic liquid storage temperature shall be filled only at Class 1 loading facilities using bottom loading equipment with a vapor collection and control system operating such that VOC emissions do not exceed 0.08 lb/1000 gallons loaded; or Class 2 loading facilities equipped with a system to control at least 95% of VOC displaced; or the transfer facility has a vapor collection and control system such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure nor 6 inches water column vacuum. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
6. No gasoline delivery vessel shall be used or operated unless it is leak-free. A leak shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 10,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. No gasoline delivery vessel shall be operated or loaded unless valid State of California decals are displayed on the cargo tank, attesting to the vapor integrity of the tank as verified by annual performance of CARB required Certification and Test Procedures for Vapor Recovery Systems for Cargo Tanks. [District Rule 4621, Health & Safety Code, section 41962, and CCR, Title 17 section 94004] Federally Enforceable Through Title V Permit
7. The test method to determine vapor tightness of delivery vessels owned or operated by this facility shall be ARB Test Procedure TP-204.3. [District Rule 4621] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: KERN OIL & REFINING CO.

Location: PANAMA LN & WEEDPATCH HWY, BAKERSFIELD, CA 93307-9210

S-37-46-3 : Apr 9 2015 8:27AM - ROEDERS

8. Construction, reconstruction (as defined in District Rule 4001), or expansion of any top loading facility shall not be allowed. [District Rule 4624] Federally Enforceable Through Title V Permit
9. Loading and vapor collection and control equipment shall be designed, installed, maintained and operated such that there are no leaks or excess organic liquid drainage at disconnections. A leak from a VOC containing liquid other than gasoline shall be defined as the dripping of organic compounds at a rate of more than three drops per minute or the detection of organic compounds, in excess of 1,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. [District Rule 4624 and Kern County Rule 413] Federally Enforceable Through Title V Permit
10. During the loading of organic liquids, the operator shall perform and record the results of monthly leak inspections of the loading and vapor collection equipment at each loading arm. Leak inspections shall be conducted using sight, sound, smell and instrument methods to detect leaks. Instrument detection shall be conducted using EPA Method 21 and shall be measured at a distance of one centimeter from the potential source. The instrument shall be calibrated before use each day of its use by the procedures specified in Method 21 using the following calibration gases: A) Zero air (less than 10 ppm of hydrocarbon in air); and B) Mixture of methane or n-hexane and air at a concentration of about, but less than, 1,000 ppm methane or n-hexane. [District Rules 2520 and 4624] Federally Enforceable Through Title V Permit
11. Corrective steps shall be taken at any time the operator observes a leak or excess drainage at disconnect. In addition, the operator shall perform and record the results of monthly drainage inspections at disconnect for each loading arm during any month that the loading arm(s) are in operation. If no excess drainage conditions are found during five consecutive monthly inspections, the drainage inspection frequency may be changed from monthly to quarterly. However, if one or more excess drainage condition is found during a quarterly inspection, the inspection frequency shall return to monthly. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
12. All equipment that are found leaking shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement equipment shall be reinspected the first time the equipment is in operation after the repair or replacement. [District Rule 4624]
13. Drainage inspections shall be completed before 10:00 AM the day of inspection. Compliance shall be demonstrated by collecting all drainage at disconnect in a spouted container. The drainage shall be transferred to a graduated cylinder and the volume determined within one (1) minute of collection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
14. All inspections shall be documented with an inspection log. Inspection records shall include, at a minimum, 1) date of inspection, 2) location and description of any missing, loose, leaking, or damaged equipment and any malfunction requiring repair, 3) corrective steps taken to repair or replace the equipment, 4) test method and results for leak and drainage inspections, 5) location and description of any equipment to be inspected upon commencing operation after repair or replacement and 6) inspector name and signature. [District Rule 4624, 6.1.3]
15. VOC emissions from the vapor collection and control system shall be determined using 40CFR¹ 60.503. "Test Methods and Procedures" and EPA Reference Methods 2A, 2B, 25A and 25B and ARB Method 432, or ARB Method 2-4. [District Rule 4624, 6.2.2, and Kern County Rule 413] Federally Enforceable Through Title V Permit
16. Loading of a delivery vessel shall discontinue if its pressure relief valve opens. Corrective action shall be taken should this condition occur. [District Rule 2520, 9.1] Federally Enforceable Through Title V Permit
17. Operation shall include one uncontrolled loadout line for the handling of naphtha and mineral spirits with true vapor pressure's (TVP's) less than 1.5 psia, and one loadout line equipped with vapor recovery for the handling of light reformate and other organic liquids with TVP's greater than 1.5 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
18. No trucks with a preceding load of petroleum liquid with a greater true vapor pressure than 0.86 psia at 90 deg. F. shall be loaded from loadout line not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

19. Only petroleum liquid with a true vapor pressure less than 0.86 psia at 90 deg. F. shall be loaded from loadout hose not attached to vapor recovery system. [District NSR Rule] Federally Enforceable Through Title V Permit
20. All liquid handling equipment and components shall be maintained leak-free (as defined in Rule 4624). [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
21. Hose couplers shall be dry break type only. [District NSR Rule] Federally Enforceable Through Title V Permit
22. VOC emissions from uncontrolled naphtha/mineral spirits loadout line shall not exceed 29.28 lb per day. [District NSR Rule] Federally Enforceable Through Title V Permit
23. The loading and vapor collection equipment serving light reformate loading line shall be designed, installed, maintained, and operated such that there are no leaks and no excess organic liquid drainage at disconnections as defined by Rule 4624. [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
24. Light reformate and other organic liquids with true vapor pressures (TVP) greater than 1.5 psi shall be loaded exclusively through loadout line equipped with vapor recovery. [District NSR Rule and Rule 4624] Federally Enforceable Through Title V Permit
25. The loadout of organic liquids with true vapor pressures (TVP) greater than 1.5 psi from rack shall not exceed 22,680 gallons per day. [District NSR Rule] Federally Enforceable Through Title V Permit
26. Permittee shall maintain accurate records of liquid type, throughput, temperature, and Reid Vapor Pressure (or TVP) on site for a period of at least five years and shall be made readily available for District inspection upon request. [District NSR Rule and Rule 1070] Federally Enforceable Through Title V Permit

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